

NEW SOUTH WALES.

BUSINESS STATISTICS - 17th November, 1941.

Russian resistance, amendment of U.S.A. Neutrality Act and reduced shipping losses are significant war developments. Here, economic activity is greater than ever before; bank clearings are at a record level; the stock market drift has halted; interest rates are low and fairly steady. The £100 m. cash and conversion loan succeeded. Oversea trade returns suggest recent arrival of war supplies. The building trade is active as regards residential and industrial buildings but non-essential buildings have been severely curtailed. Motor vehicle registrations are still declining.

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PART I PRIMARY AND EXPORT INDUSTRIES.

SEASON: During October, 1941 rainfall was below average over the greater part of N.S.W.; exceptions were parts of the central coast, and north-western slopes and plains. Enough rain fell in most important wheatgrowing districts to fill out the grain in wheat crops. Wheat harvesting is now in progress. Rainfall this season compares with the very deficient rainfall in corresponding months of 1940 as follows:-

1941 (1940)	May.	June.	July.	Aug.	Sept.	Oct.
Weighted av. Ratio (%) of Actual to Normal Rainfall.						
Sheep Districts	58(33)	95(17)	47(21)	37(36)	56(109)	75(18)
Wheat "	61(33)	87(17)	67(33)	41(36)	47(129)	75(11)
Dairying "(Coast)	63(39)	68(58)	90(18)	38(90)	30(167)	53(85)

Rain fallen during the past week or two has brought relief to the dry far north coast (with falls averaging over 5 inches) and material benefit to other districts except in the south and south-west (including the Riverina).

Meat exporting firms are passing on to producers the benefit of the recent increase in meat prices under the British contract in respect of meat sold forward to them. Barley growers are being paid another advance on 1940-41 barley. In N.S.W. the payment will be equal (a bus.) to 7d. for 2-row and 6d. for 6-row varieties.

EXPORT PRICES AND EXTERNAL TRADE CONDITIONS.

Prices of principal Australian export commodities are maintained at a level slightly more than 20 p.c. above that ruling before the war and approximately the same as the average for the prosperous years 1935-36 to 1937-38. Indications are that

primary production available for export in 1941-42 may compare favourably with that in 1940-41 as generally the season has been more favourable. An average Australian wheat harvest appears likely and the wool clip will not be much smaller than last season's.

Of very great significance is the revision by Congress of the Neutrality Act, to permit arming of United States ships and their entry into combat zones. Mr. Churchill revealed that in July-Oct. Allied shipping losses were less than 750,000 tons compared with over 2 million tons in March-June, 1941. American missions have been sent to Egypt and Iran to speed up American supplies to British and Allied forces.

In the United States additional shifts are being added with the object of getting non-stop production in war industries. Aircraft, etc. deliveries to Britain in Jan.-Aug., 1941 amounting to \$330 m. were mostly contracted for before enactment of the Lend-Lease Act. President Roosevelt has intervened in the labour disputes affecting coal miners. Railwaymen also threaten a stoppage of work.

The British note circulation has reached £704 m. but London opinion is not perturbed by the war-time increase of £150 m. Britain's labour policy continues to move nearer to direction and compulsion under pressure of public opinion and urgent demands for more man-power. Age reservations may be raised and the reserved occupations list is being revised. There is a drive for more women in auxiliary defence services and industry. British wholesale prices are steady.

Japan has sent Mr. Kurusu to Washington as a Special Envoy to endeavour to relieve tension regarding the Far Eastern situation.

A Netherlands East Indies Trade Mission has been negotiating in Australia for supplies of war and civilian goods.

The International Labour Organisation meeting in New York endorsed the ideals of the Anglo-American Atlantic Declaration. Canada has named as a ceiling for prices the maximum prices ruling between Sept. 15 and Oct. 11.

INTERNATIONAL
CURRENCY
RELATIONS.

Throughout the present month the rate of exchange between United States dollars and British pounds in New York has been steady with the mean quotation at \$4.0375. The rigidity of the rate notwithstanding such far-reaching developments as revision of the Neutrality Act and the fluctuating fortunes of war, illustrates how far removed are the present-day controls from the quasi-automatic exchange ratio determinants of pre-depression years. It is also an expression of the close co-operation maintained between the British and United States Treasuries.

WOOL. Between July 1 and November 12, 1941, the quantity of wool received in Sydney was 893,513 bales compared with 928,701 bales in the corresponding period of 1940. The handling of an increased quantity of wool in Newcastle partly accounts for the decrease, though the 1941-42 clip is expected to be lighter than that of last season. To November 12 appraisement of 542,235 bales had been completed in Sydney this season - a decrease of 44,018 bales compared with last season. The shortage of labour in wool stores and the refusal of the men to work overtime has caused some delay, but it is still expected that by Christmas the revised allocation of 890,820 bales will have been submitted and dealt with in N.S.W. appraisement centres.

The British Wool Control has increased its oversight over the release of wool for export trade. In the United States the mills are employed to capacity and wool consumption in 1941 is expected to require the use of a pound of imported for every two pounds of home-grown wool. The United States had a record clip in 1941 estimated at 400 m. lb. - about $7\frac{1}{2}$ p.c. above the average for the preceding five years.

Official statements indicate that the price paid by the British Government for Australian wool is under review in negotiations between it and the Australian Government.

WHEAT. Harvesting of early maturing crops in N.S.W. has begun. Officially it is doubted whether the first estimate of 43 m. bus. will be realised. The Commonwealth Statistician forecasts a yield in Australia at 166 m. bus., compared with 83 m. bus. last season and equal to the average for the ten seasons ended 1940-41. The whole of the marketable part of this crop will be eligible for the stabilisation guaranteed price of 3s.10d. a bus., f.o.b. Australian ports.

Early in November it was announced that the payment of a further advance of 3d. a bus. on wheat of the 1940-41 crop (No.4 pool) had been approved. Another payment may be made when accounts are finalised after all wheat in the pool has been sold. For bulk wheat growers in N.S.W. will have received about 3s.0 $\frac{1}{2}$ d. a bus. at country sidings when this payment is made.

Three additional wheatgrowers' representatives have been appointed to the Australian Wheat Board.

In Chicago futures quotations continue to fluctuate about the high level ruling in October, but in Winnipeg prices show little variation and are only a cent or two above the fixed minima. Wheat prices in London are steady.

In Sydney wheat for produce trade has been in keen demand, but sales of wheat for export flour have been light and only occasional. There has been no change in the Wheat Board's prices. For bulk wheat for local flour the quotation is 3s.11 $\frac{1}{4}$ d. per bus. ex trucks, Sydney. The wholesale price of flour in Sydney is £12.13s. a ton (including tax).

PRICES OF WHEAT IN NEW SOUTH WALES.

Shipper's offers to 1938-39. Prices for wheat for local flour from Dec., 1939.

<u>Bulk Wheat</u>	Season ended November.			October.		November	
	Av. 1931-35.	1937.	1939.	1940.	1940.	1941.	17, 1941.
Shillings and pence per bushel.							
Ex trucks, Sydney.	2 9 $\frac{1}{2}$	5	3	2	5	3 10 $\frac{1}{2}$	3 11 $\frac{1}{4}$
Equiv. ex farm at country siding.†	2 2 $\frac{1}{2}$	4	8	1 9 $\frac{1}{2}$	2 11	2 11	3 0 $\frac{1}{2}$ ø
							3 0 $\frac{1}{2}$ ø

* Exclusive of bounty.

ø Net equivalent of advances made to date.

PART I (Continued)

BUTTER. Under seasonal influences the production of butter is expanding rapidly in N.S.W. and recent good rains in important dairying districts have changed the season's prospects from doubtful to promising. South Coast cheese districts, however are in need of rain again. It is indicative of the poor spring season that the proportion of butter made permitted to be sold in trade within the State in November - 45 p.c. is the highest yet recorded for that month:-

	1934.	1935.	1936.	1937.	1938.	1939.	1940.	1941.
Proportion (%) of butter for sale within the State.								
November	26	27	32	34	33½	32	37	45

Less butter was made in factories in N.S.W. in September and Sept. Qr. 1941 than in any of the preceding eleven and twelve years, respectively. Comparative particulars for recent years are as follow:-

PRODUCTION OF BUTTER IN FACTORIES IN NEW SOUTH WALES.

	Av. 1931-35.	1937.	1938.	1939.	1940.	1941.
September Mill. lb.	7.85	7.03	6.91	7.34	6.45	5.85
Sept. Qr. "	20.86	16.03	16.24	20.27	16.54	15.08

This year Britain is contracting to buy 57,000 tons of choicest and first grade butter but no second grade or pastry butter. It is expected that steps to eliminate the manufacture of pastry butter will be taken. This reduced quantity of butter synchronises with an offer to take 40,000 tons (and such further quantity as may be available) of cheese at a price 7s. 2½d. (Aust.) a cwt. above that paid in 1940-41. The quantity of butter which will be made this season seems likely to exceed domestic requirements and the 57,000 tons for Britain. Special arrangements are being made against this contingency. Exporters of butter to U.K. are to be paid contract prices less 4s. 9d. (Aust.) a cwt. The 4s. 9d. a cwt. will go into a fund to cover handling costs, interest charges on emergency cold storage installations and to the fund to cover losses on capital expenditure made to comply with the request to change over from butter to cheese.

The request of butter producers for an increase in the local wholesale price of butter has been refused but will be investigated again in six months' time. The price in Sydney has been 158s. 8d. a cwt. since June 8, 1938.

For cream supplied in October, 1941 certain North Coast factories are paying farmers 12½d. a lb. of commercial butter made - the same as in Oct., 1940 and ¼d. a lb. less than in Sept., 1941. Butter cheques are thus below those of a year ago but dairy farmers who have raised pigs for bacon or pork supplies for Britain have found a good market; it is estimated pigs sold in North Coast markets are realising approximately £10,000 a week.

Prices paid for cream compare as under:-

PAY TO SUPPLIERS OF CREAM TO CERTAIN NORTH COAST FACTORIES, N.S.W.

	Apr.	May	June	July	Aug.	Sept.	Oct.	Deferred Pay Jan.-June.
Pence per pound of commercial butter made.								
1934 x	8	9½	9½	9½	10	9	8	1½
1937 x	11½	12½	12½	13½	13½	13	13½	1
1939	12½	12	12½	12½	12	12½	12	1.06
1940	12½	13	13½	13½	13	13	12½	1½
1941	12½	13	13½	13½	13	12½	12½	1

x Cartage charges (to June, 1937) - about 3d. a lb. now paid by factories - met by farmers.

¢ Additional to amounts shown for each relevant month.

PART I (Continued)

METALS. Maximum prices fixed by the British Ministry of Supply in Dec., 1939 for electrolytic copper (£62) lead (£25) and spelter (£25.15s.) a ton - still rule and apparently adequate supplies for essential purposes have been available to British users. An open market for tin has been preserved. Prices of tin have varied in recent years much less than previously. The ruling price (£258.5s. a ton) on Nov. 14 is calling forth all the tin needed and is appreciably above the immediate pre-war level. Silver has stood at 1s.11 $\frac{1}{2}$ d. without any movement whatever for three full months. It may be that this metal has been brought under some effective form of control.

MEAN OPEN MARKET PRICES FOR TIN AND SILVER - LONDON.

	Aug., 1939.	Oct., 1940.	Jan., 1941.	July, 1941.	Sept., 1941.	Oct., 1941.
Tin (ton)	£229.19s.	£258.3s.	£256.16s.	£258.9s.	£256.10s.	£255.19s.
Silver (oz.)	17.72d.	23.45d.	23.27d.	23.40d.	23.50d.	23.50d.

PART II. FINANCE AND TRADE.

BANK CLEARINGS. In October, 1941 clearings between banks in Sydney (£101.8 million) were, next to May, 1941, a record and 30 and 13 p.c. greater than in October, 1939 and 1940 respectively. Transactions connected with the Commonwealth War Loan entered into the high total. Higher prices, the expansion of war industries and general repercussions from war spending are the main factors in the wartime increase.

The index numbers of bank clearings for the three months ended in each of the last six months were (Average 1926-30 = 100):- May, 117; June, 123; July, 125; August, 123; Sept.; 124 and Oct., 123.

There are some spheres in which civilian activity has been curtailed but trade and commerce generally has not been affected very much. There are now few unemployed resources and it is evident that the expansions of the war effort will require large scale diversion of men and machinery from civilian to war enterprises.

INTER-BANK CLEARINGS - SYDNEY.

	Amount (a)	Index Number (b)
October	Jan.-Oct.	Aug.-Oct.
£m.	£m.	1926-30 = 100.
1937	80.1	772.1
1938	79.5	771.6
1939	78.0	753.5
1940	90.1	880.2
1941	101.8	934.8

(a) Excluding Treasury bill transactions. (b) Adjusted to eliminate effects of bank amalgamations and special Governmental transactions but not for changes in price levels.

REAL ESTATE. Property transfers registered in October, 1941 (£3,013,000) were a little above the average value in recent months, but still considerably below the value in 1937 or 1938. Sales in the ten months ended October (£27.72m.) were comparable in amount to the pre-war level, but were 13.2 p.c. less than in Jan.-Oct., 1938. Urban residential and industrial property has been in demand, but there has been little business in large city offices and shops and in farm properties. The shortage of housing, limited field for capital investment and the security offered by property as a store of value have combined to keep city agents busy.

Property mortgages also show a tendency to increase slightly comparing registrations in recent months with those of a year ago and in early months of this year. Conditions have changed and are affected by official control over mortgage transactions exceeding £5,000 as well as by decreased activity of co-operative building societies. These factors are significant in the decrease since 1938.

REAL ESTATE TRANSACTIONS - NEW SOUTH WALES.

	Month of October.		Ten Months ended October.	
	Sales.	Mortgages £	Sales	Mortgages £
	£000	£000	£000	£000
Av. 1925-29*	(4,619)	(4,042)	(46,190)	(40,420)
1938	3,111	2,153	31,951	22,072
1939	2,331	1,713	27,709	19,386
1940	2,885	1,144	26,146	14,139
1941	3,013	1,413	27,719	13,366

* Includes normal renewal of mortgages in 1925-29. Renewals were rendered unnecessary in many cases by the Moratorium Act., 1930.

† Monthly and ten months' averages.

STOCK EXCHANGE. During October, 1941 the Sydney Stock Exchange was affected by Russian reverses, some easing of share prices in New York, and reactions to budget proposals. Prices of ordinary company shares followed an irregular decline affecting all classes of shares and bond prices as well. At no time,

however.....

PART II (Continued.)

however, was there heavy pressure to sell. The Company Tax is increased from 2s. 6d. to 3s. in £1 and £5m. is expected to be collected under the War-time Company Tax compared with £1m. last year. Thus, reduced earning prospects rather than loss of confidence was behind the movement in share prices. In the last few days buyers have been active, turnover has increased and share prices have firmed.

The average value of each class of share was greater in Oct. 1941, than in Oct. 1940, and for all shares (of 75 companies) in the index was still higher than in any of the months April to August, 1941, and only $5\frac{1}{2}$ p.c. below the highest war-time month (Jan., 1940). Other comparisons are as follow:-

INDEX OF VALUE OF ORDINARY COMPANY SHARES - SYDNEY STOCK EXCHANGE.

Excluding banks. Par value = 100.

AVERAGE FOR MONTH OF -	SHARES IN COMPANIES ENGAGED IN -					TOTAL (75 COMPANIES).	34 ACTIVE SHARES
	Manufacturing and distributing.	Retail Trade	Public Utilities.	Pastoral and Finance.	Insurance.		
March, 1937 (a)	214	204	182	169	281	190	200
January, 1940 (b)	229	174	152	132	270	182	195
June, 1940 (c)	187	138	129	110	233	151	160
October, 1940	215	165	134	118	252	168	184
August, 1941	222	170	137	127	249	170	186
September, "	228	177	142	128	253	175	191
October, "	221	173	142	126	251	172	186

(a) Highest point. (b) Highest and (c) lowest point of war period.

INTEREST RATES. Mortgages. Slight month to month variations in the weighted average rates of interest charged on private first mortgages have little significance, though, if anything the tendency is for rates to decline. At the level of rather less than 5 p.c. for rural and about $5\frac{1}{2}$ p.c. per annum for urban first mortgages weighted average rates are lower than in 1938-39 or 1939-40 and about 2 p.c. below the pre-depression levels.

Treasury control over mortgage investment and over building is reflected in a marked decrease in mortgage transactions in comparison with the volume in 1938. Ruling rates of interest are probably more conventional than the result of ordinary market factors. Knowledge that the Government would, if necessary, take steps to force rates down is a material influence in determining rates of interest to borrowers on mortgage.

AVERAGE RATES OF INTEREST ON PRIVATE FIRST MORTGAGES - N.S.W.

FIRST MORTGAGES.	AVERAGE - CALENDAR YEAR						AV. AUG.-OCT.		
	1934	1935	1937	1938	1939	1940	1939	1940	1941
Weighted average rate of interest - per cent. per annum.									
Rural	5.1	4.8	5.0	5.0	5.2	5.1	5.3	5.0	4.9
Urban	5.3	5.2	5.3	5.4	5.6	5.6	5.6	5.5	5.5

Government Securities. Up to November 13 there were 59,050 applications for conversion and 55,400 cash subscriptions to the Commonwealth £100m. cash and conversion loan, which closed on Nov. 15.

The bond market was affected in some degree by the weakening tendency on the Stock Exchange during the past two months but latterly has strengthened somewhat. A preference for securities taxable only by the Commonwealth at the rates of taxation imposed in 1930 is shown and there is now a difference of 4s. 8d. p.c. between fully taxed and part taxed bonds of 5 to 10 years maturity. Probably the current big loan operation has affected the market. The new loan offer is with interest at $2\frac{1}{2}$ p.c. for 4-5 years and $3\frac{1}{4}$ p.c. for 9-16 years. These rates compare with yields obtainable in the market at various dates as follow:-

/NET.....

PART II. (Continued.)

NET REDEMPTION YIELD ON AUSTRALIAN CONSOLIDATED LOANS.

Bonds Maturing in -	Oct., 1938	Sept., 1939.	Oct., 1940.	Aug., 1941.	Sept., 1941	Oct., 1941	Nov. 12, 1941.
Interest yield (s. d. per £100) per annum. #							
<u>5-10 years</u>							
Fully Taxed ✓	-	-	63 5	63 11	63 10	63 8	64 0
Part " x	65 0	79 7	60 10	58 3	59 0	61 3	59 4
Over 10 years							
Part Taxed x	65 2	80 10	64 2	63 2	63 1	63 8	62 9

* Weighted average on last Wed. in month (unless date indicated) calculated on earliest date of maturity.

Interest subject to full Commonwealth but to no State taxation.

x Interest subject to Commonwealth taxation only, and only at 1930 rates of taxation.

OVERSEA TRADE - AUSTRALIA. In the last three months the value of merchandise imports has returned to a very high level after continuing for several months appreciably below the value in corresponding months of earlier years. No official explanation for this sudden increase has been given. It is probable, however that Lend-Lease goods from U.S.A. may figure largely in the heavier imports. Non-sterling imports of a value of about £A15 million a year on 1938-39 import values are excluded by wartime import restrictions. The value of imports in certain recent periods compare with corresponding periods of one and two years earlier as under:-

<u>Imports - Australia</u>	<u>Mar. Qr.</u>	<u>June Qr.</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>July-Oct.</u>
1939 £stg. m.	25.1	23.5	8.9	9.2	6.8	7.3	32.2
1940 " " "	35.0	33.2	12.6	8.8	8.9	9.6	39.9
1941 " " "	23.5	27.7	9.6	10.4	15.3	11.6	46.9

Exports in July-Oct., 1941 (Lstg. 37.2) exceeded the value recorded in the first four months of any recent year. How far this may be due to shipment of munitions and other war supplies is not known. As regards export prices for principal primary products the changes are slight; meat prices are a little higher and an increased price for cheese has also been offered by the British Government. Apparently the shipping position is rather less difficult than it was expected to be some months ago.

A Netherlands East Indies Trade Mission is investigating the possibility of setting up a central purchasing authority in Australia for both war and civil needs. Australia may be able to secure a large share of the Japanese trade with the Indies now cut off by the Dutch "freezing order".

For certain export commodities, e.g., wool, payment is made irrespective of shipment and therefore current payments for exportable goods somewhat exceed the recorded value of exports.

Comparative particulars of commodity trade are appended:-

OVERSEA TRADE - MERCHANDISE ONLY - AUSTRALIA

	OCTOBER			FOUR MONTHS ENDED OCTOBER.				
	1939	1940	1941 ^P	1937	1938	1939	1940	1941 ^P
<u>Merchandise -</u>	Value in £ sterling (million).							
Exports	7.91	8.54	9.34	33.24	29.62	27.34	34.55	37.21
Imports	7.33	9.59	11.65	36.54	34.25	32.21	39.88	47.01
Import Surplus	.58x	1.05	2.31	3.30	4.63	4.87	5.33	9.80

6 Particulars of bullion and specie not available for publication.

P. Preliminary.

x Export surplus.

PART III. INDUSTRIES.

BUILDING INDUSTRY.Buildings Commenced - Metropolitan Water Board Area.

(Includes most public as well as all private buildings).

The brick strike may account for the sharp fall in the value of buildings commenced in Oct. 1941 (to £735,000). In recent months activity has been mainly in erection of houses, flats and factory premises and very little building has been undertaken in the city of Sydney. A Housing Commission is to be appointed in N.S.W. under new legislation.

Buildings commenced in the Metropolitan Water Board Area in October, 1941 were valued at £735,000. Excepting seasonally small totals in December, this was the lowest amount for any month for over four years and about 30 p.c. below the average for preceding months of this year. The sharp decrease is probably connected with the stoppage in brick deliveries owing to industrial disputes. Otherwise its significance is not clear as wide month to month fluctuations have occurred during the war period:-

	<u>Mar. Qr.</u>	<u>June Qr.</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Jan.-Oct.</u>
	Value of buildings commenced				-	£ Thousand.	
1939	3,076	3,269	1,012	1,180	840	931	10,308
1940	3,053	3,413	1,438	1,052	1,001	1,101	11,058
1941	2,971	2,915	1,453	1,138	1,255	735	10,467

There has been a very marked decrease in building in the City of Sydney but elsewhere in the Board's Area the amount in the ten months ended October was greatest for the period of post-depression years. In this public building necessitated by the war is a material factor. Particulars of value of buildings commenced are as follow:-

	<u>CITY.</u>				<u>SUBURBS.</u>			
	<u>1938</u>	<u>1939</u>	<u>1940</u>	<u>1941</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>	<u>1941</u>
October £000	116	88	55	23	730	843	1046	712
Jan.-Oct. £000	1764	1615	1404	662	9001	8693	9654	9805

In 1941 house-building reached the highest level for several years and many flat buildings have been erected. In October houses and flats commenced were much below the average for recent months but perhaps this may prove incidental to the hold-up in brick deliveries. However, building costs will rise further on account of an increase (11s. od. a thousand) in the cost of bricks delivered to site and in the rate of sales tax on practically all building materials from 5 to 10 per cent.

HOUSES AND FLATS COMMENCED - M. WATER BD. AREA.

	<u>HOUSES. (£000)</u>					<u>FLATS (£000)</u>				
	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>
1939	528	542	636	489	547	171	203	247	128	130
1940	470	684	531	574	576	210	236	181	208	138
1941	564	681	717	738	481	320	238	232	194	91

Control under National Security Regulations over building and mortgage transactions has caused erection of such buildings as hotels, city offices, shops, theatres, etc., to be drastically curtailed, but a good deal of new factory space has been provided. Defence buildings are the important element in the increase in the group "Miscellaneous" shown in the next table. Details of value of classes of buildings erected in October and the ten months ended October, of recent years are

/given.....

PART III. (Continued.)

given below. War-time movements are illustrated by percentages shown in the concluding column:-

BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA.
Including new Buildings, Additions, etc. and most Government Buildings.

TYPE OF BUILDING.	OCTOBER TEN MONTHS ENDED OCTOBER								MOVEMENT JAN.-OCT., 1939 to 1941
	1939	1940	1941	1937	1938	1939	1940	1941	
Value of buildings commenced - £ Thousand.								per cent.	
Houses	547	576	481	3,469	5,076	5,119	5,270	5,700	+ 13.5
Flats	130	138	91	1,620	2,137	1,689	1,899	2,243	+ 32.8
Business Premises [✓]	168	160	75	3,213	3,044	2,704	2,453	1,573	- 41.8
Miscellaneous ^x	86	227	88	680	508	796	1,436	951	+ 19.5
TOTAL:	931	1,101	735	8,982	10,765	10,308	11,058	10,467	+ 1.5

✓ Shops, offices, hotels, factories, etc. x Theatres, churches, schools, hospitals, etc.

DWELLING HOUSES. The number of dwelling houses (not flats) commenced in this Area dropped sharply from 797 in September to 544 in October and was the lowest number for that month since 1936 - perhaps because of the brickmakers' and carters' strike. In the ten months ended October, 1941, however, the number (6,182) was only 143 and 10 less than in the corresponding periods of 1939 and 1940, respectively. Comparing Jan.-Oct., 1939 and 1941 the number of dwelling houses decreased 2 $\frac{1}{4}$ p.c. although the estimated cost was 13 $\frac{1}{2}$ p.c. greater - reflecting changes in building costs and in type and size of dwellings erected. The figures given below record the course of housebuilding activity in this Area in recent years but in present circumstances do not afford a basis for inference as to future trends.

A Bill setting up the Housing Commission of New South Wales passed by Parliament requires the Commission to deal with housing, slum clearance, park areas and playing grounds.

DWELLING HOUSES COMMENCED - METROPOLITAN WATER BOARD AREA.

	March Qr.	June Qr.	Sept. Qr.	Dec. Qr.	October	Jan.-Oct.	Year ended October.
Number of dwelling houses (not flats) commenced.							
1936	1273	1251	1668	1195	444	4,636	5,300
1937	1152	1212	1618	1592	554	4,536	5,287
1938	1627	1857	2120	1853	637	6,241	7,279
1939	1859	1785	2034	1663	647	6,325	7,541
1940	1740	1720	2036	1665	696	6,192	7,208
1941	1587	1751	2300		544	6,182	7,151

BUILDING PERMITS - RURAL AND INDUSTRIAL TOWNS, N.S.W.

(Building permits do not include Government buildings).

Permits increased again in Sept. Qr., 1941 but still were much below the pre-war level. There has been much public building. In industrial centres building has been maintained mainly because of increases in houses and factories. Shops, hotels, etc., and "other" classes have decreased. Though a wartime peak the number of dwellings proposed in Sept. Qr. (924) was below the average in years 1936-37 to 1938-39.

Building permits were granted in 129 rural and industrial towns in N.S.W. in September Qr., 1941 for private buildings valued at £997,000. This was 10 p.c. more than in Sept. Qr., 1940 and above recent quarterly totals, but was less than in Sept. Qr. of the years 1936 to 1939. In the first quarter of 1941 private building proposals were at the lowest level of recent years. The subsequent

PART III (Continued.).

recovery has been limited and in the year ended September, the value in 1940-41 (£3.57m.) was 31.7 p.c. less than in 1937-38. As regards volume the decrease was considerably on account of the higher cost of building. Quarterly comparisons of the value of private buildings included in building permits are as follow:-

	<u>March Qr.</u>	<u>June Qr.</u>	<u>Sept. Qr.</u>	<u>Dec. Qr.</u>	<u>Year ended Sept.</u>
1937 £000	1,010	1,221	1,230	1,134	4,440
1938 "	1,461	1,256	1,378	1,184	5,229
1939 "	1,166	1,126	1,067	902	4,543
1940 "	922	1,015	905	902	3,744
1941 "	712	960	997	-	3,571

The wartime decrease in private building has been more than offset by the large amount of building necessitated by the defence and war programme. Contracts let for buildings outside the metropolis by Federal, State and associated authorities amounted to £715,000 in Sept. Qr., 1941 and to £2,180,000 in the year ended September, 1941. Combined quarterly totals for private permits and public contracts for buildings other than in Sydney and suburbs are shown below:-

<u>Permits or Contracts</u>	<u>1939</u>			<u>1940 (Quarters ended)</u>			<u>1941 (Quarters ended)</u>		
	<u>Sept. Qr.</u>	<u>Mar.</u>	<u>June</u>	<u>Sept.</u>	<u>Dec.</u>	<u>Mar.</u>	<u>June</u>	<u>Sept.</u>	
Private Bldgs. £000	905	922	1,015	905	902	712	960	997	
Public " £000	168	603	605	1,136	328	405	632	715	
TOTAL £000	1,073	1,525	1,620	2,041	1,230	1,117	1,592	1,712	

Reflecting the expansion of war industries there has been continued building activity in the industrial centres outside the metropolis. In Sept. Qr., 1941 the provision of new housing was the feature of activity in the Newcastle and Illawarra districts. In the rural urban centres the value has fallen to about two-thirds that of the pre-war level. The geographical distribution of quarterly totals is shown in the following statement.

	1939 (Quarters)				1940 (Quarters)				1941 (Quarters)		
	I	II	III	IV	I	II	III	IV	I	II	III
	Value of private building permits - £ thousand.										
Newcastle Dist.	244	222	235	153	206	289	325	251	164	290	333
Wollongong "	206	84	121	120	110	124	65	59	96	134	147
Broken Hill	30	36	36	57	21	48	14	23	13	15	19
6 Towns nr. Sydney	70	87	106	58	65	58	55	108	41	51	68
Lithgow	6	1	4	3	3	7	12	11	25	20	19
Other Towns	610	696	565	511	517	489	434	450	373	450	411
Total	1166	1126	1067	902	922	1015	905	902	712	960	997

In Sept. Qr., 1941 the value of permits for houses was easily the greatest for any quarter during the war period but was still considerably below the value in the years 1937 to 1939. There has been more activity in providing new factory premises than in any year, other than 1938, of the post-depression period but permits for shops and hotels, etc. have decreased greatly. Recent quarterly details of value are:-

<u>Quarter ended</u>	<u>Houses</u>	<u>Flats (b)</u>	<u>Hotels etc.</u>	<u>Shops (b)</u>	<u>Factor- ies(c)</u>	<u>Other Buildings</u>	<u>Total</u>
Value of private building permits - £ thousand.							
Sept., 1938	731	38	130	183	62	234	1378
1939	738	30	89	91	24	95	1067
1940	516	13	129	60	27	160	905
Dec. "	463	25	131	44	109	130	902
Mar. 1941	500	22	20	38	38	94	712
June "	595	36	34	53	101	141	960
Sept. "	706	29	10	36	73	143	997

Includes (a) conversions to flats (b) shops with dwellings and (c) public garages.

PART III (Continued.)

Comparative particulars of the value of private building permits granted in the nine months ended September of each of the past six years are appended. Percentage changes over the war period are shown in the concluding column. Only in respect of factory premises has there been an increase, and it is to be noted that the figures given in the table do not take into account Government munitions, etc. factories established in country towns. House and flat building increased in comparison with 1940 but was less than in either 1938 or 1939. The marked decreases for hotels, etc. shops, and "other" buildings doubtless reflect the operation of official control over building and mortgage investment.

BUILDING PERMITS GRANTED - RURAL AND INDUSTRIAL TOWNS, N.S.W.

TYPE OF BUILDING.	NINE MONTHS ENDED SEPTEMBER.						MOVEMENT 1939 to 1941.
	1936 £000	1937 £000	1938 £000	1939 £000	1940 £000	1941 £000	
Dwelling Houses	1967	1866	2211	2106	1665	1801	(-) 14.5
Flats - new & converted	47	86	90	131	58	87	(-) 33.6
Hotels, Guest Houses &c.	x	452	435	311	264	64	(-) 79.4
Shops & Shops with Dwell.	469	323	399	308	218	127	(-) 58.8
Factories & Rub. Garages	102	162	361	124	136	212	(+) 71.0
Other buildings ♂	452	572	599	379	501	378	(-) 0.3
TOTAL -	3037	3461	4095	3359	2842	2669	(-) 20.5

x Included with dwelling houses. ♂ Includes offices, theatres, churches, hospitals, etc.

(-) Decrease. (+) Increase.

DWELLINGS: The number of net additional dwellings proposed in these towns in September Qr., 1941 (924) exceeded that in any quarter of the last two years, but was less than in any quarter during 1937, 1938, and 1939 excepting the last of 1939. Erection of houses (many under Building Society auspices with Government encouragement) to overcome the shortage of housing in towns undergoing substantial industrial expansion accounts for the higher figures for Sept. Qr., 1941.

In the nine months ended September, however, the total of 2,424 dwelling units was approximately the same in 1941 as in 1940 but 1,127 or 31.7 p.c. less than in 1938.

DWELLINGS INCLUDED IN PRIVATE BUILDING PERMITS - RURAL AND INDUSTRIAL TOWNS.

PERIOD.	Houses.		Flats	Convert- ed to Flats.	Hotels, Guest Houses	With Shops	Less Demo- litions etc.	Net Total.
	Brick etc.	Wood, Fibro.						
Number of dwelling units.								
Year	747	3067	102	51	♂	104	165	3,906
1936	866	3098	157	78	27	112	150	4,188
1937	798	3648	111	81	25	105	204	4,564
1938	666	3265	154	105	17	75	217	4,065
1939	526	2410	85	104	22	67	138	3,076
Jan.-Sept. 1939	504	2615	139	86	13	63	182	3,238
" 1940	410	1899	59	85	13	56	106	2,416
" 1941	503	1839	107	72	2	30	129	2,424
Sept. Qr., 1940	127	598	10	12	7	4	28	730
Mar. Qr., 1941	146	547	25	31	-	7	38	718
June, Qr., "	175	592	42	11	2	15	55	782
Sept., Qr., "	182	700	40	30	-	8	36	924

♂ Included with brick houses.

PART III (Continued.)

BUILDING PERMITS - NEW SOUTH WALES.

Private buildings covered by permits granted by local government authorities in New South Wales were of a value of £4.60m. in September Qr., 1941. This exceeded the value in the two preceding quarters and was 13.7 p.c. greater than in Sept. Qr., 1940. Although building permits were greater in the second than in the first year of the war the value remained considerably below that recorded in 1937-38 or 1938-39.

PRIVATE BUILDING PERMITS - NEW SOUTH WALES (AS FAR AS RECORDED).

	March Qr.	June Qr.	Sept. Qr.	Dec. Qr.	Year ended Sept.
	£000	£000	£000	£000	£000
1937	3,079	4,363	4,585	4,630	15,560
1938	4,817	5,170	5,739	4,646	20,356
1939	2,254	4,647	4,894	3,786	18,441
1940	3,511	4,299	4,040	4,756	15,636
1941	3,312	4,521	4,595		17,184

The wartime decrease in private building activity has, to a great extent, been countered by heavy expenditure on buildings for defence purposes, war industries, and for storage of commodities for which shipping space is not available. Private building permits and contracts for buildings for State and Federal Governments and agencies were together greater in value in Sept. Qr., 1941 than in any other recent quarter, as the following particulars indicate:-

	1939-40				1940-41				1941-42			
	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June
	Qr.	Qr.	Qr.	Qr.	Qr.	Qr.	Qr.	Qr.	Qr.	Qr.	Qr.	Qr.
Value of proposed buildings - £ thousand.												
Private	4895	3786	3510	4298	4040	4756	3312	4521	4595			
Public	655	409	676	850	1454	586	825	907	1155			
TOTAL	5550	4195	4186	5148	5494	5342	4137	5428	5750			

∅ In areas including 73 p.c. of population of N.S.W.

✗ All N.S.W.

As in the preceding quarter private building activity was mainly in the provision of residential buildings - particularly houses, and of factory premises. The number of dwellings proposed in Sept. Qr. 1941 was greatest of any war-time quarter though not up to the peak post-depression level. Building costs will increase further as a result of higher sales tax on building materials and the increase of 11s. a thousand in the price of bricks. The future trend cannot be foreseen but official control is likely to preclude the erection of non-essential or deferrable buildings as it has done in recent months. This means that building in the city of Sydney (now very depressed) is unlikely to revive at present. Elsewhere much will depend upon what policy is adopted regarding housebuilding by the State and Commonwealth Governments. The record level of housebuilding in the seven semi-urban shires near Sydney is another notable feature revealed in the table below:-

PRIVATE BUILDING PERMITS GRANTED - NEW SOUTH WALES.
As far as recorded. Excludes Government buildings.

	City of Sydney.	Suburbs of Sydney	129 Rural & Industrial Towns.	7 Semi-Urban Shires.	Total of Fore-going.	Net Add'l. Dwellings Included.
						No.
Year 1929	3,547	10,798	4,526	851	19,722	14,161
1936	2,309	7,821	4,016	652	14,798	12,992
1937	2,544	8,717	4,594	801	16,656	13,785
1938	3,410	10,632	5,279	1,051	20,372	17,748
1939	1,886	10,334	4,261	1,101	17,582	15,289
1940	1,534	10,184	3,744	1,144	16,606	14,071
Sept. Qr., 1939	589	2,942	1,067	296	4,894	4,356
" 1940	424	2,420	905	291	4,040	3,342
Mar. Qr., 1941	156	2,201	712	248	3,312	3,195
June, "	217	3,017	960	327	4,521	4,193
Sept. "	99	3,041	997	458	4,595	4,257

PART III (Continued.)

BUILDING SOCIETIES.

In the last few months the formation of new co-operative building societies has proceeded, especially in areas where industrial expansion has caused an acute housing shortage. The increases in the numbers of new members and of shares held were greater in September Qr., 1941 than in any quarter of the war period, March Qr., 1941 only excepted. During the quarter seven new societies were formed but the number actually financing homebuilders increased by thirteen. Of the 211 societies registered at September 30, 1941, 209 had allotted shares, 204 had approved loans, and 200 had made advances to members.

Advances approved in September Qr., 1941 were at the rate of about £2.8m. a year compared with £1.8m. a year in the corresponding quarter of 1940 and £4.1 m. in the year ended June, 1939. The course of development of the co-operative building society movement may be illustrated as follows:-

CO-OPERATIVE TERMINATING BUILDING SOCIETIES, N.S.W.

	METROPOLITAN.			COUNTRY.			ALL N.S.W.		
	Mem-bers	Shares	Advances made ^x	Mem-bers	Shares	Advances made ^x	Mem-bers	Shares	Advances made ^x
	No.	000	£000	No.	000	£000	No.	000	£000
At Dec. 31, 1938	12,093	156.6	4,218	5,708	60.6	1,308	17,801	217.2	5,526
Jan.-June, 1939 ^ø	1,273	20.9	1,386	- 287	.3	513	986	21.2	1,899
July-Dec. "	133	7.3	1,278	333	3.1	446	466	10.4	1,724
Jan.-June, 1940	180	3.5	837	60	1.4	292	240	4.9	1,129
July-Dec., 1940	444	7.8	622	- 66	2.5	196	378	10.3	819
Mar. Qr., 1941	520	9.6	297	252	3.0	58	772	12.7	355
June "	125	3.4	292	191	2.3	98	316	5.7	389
Sept. "	386	5.8	321	288	6.7	136	674	12.5	457
At Sept. 30, 1941	15,154	215.0	9,251	6,479	80.0	3,047	21,633	294.9	12,298

^ø Basis changed in June Qr., 1939 to include only societies assured of finance.

^x With loans discharged deducted.

The number of loans approved and still in force is equal to 82 p.c. of the number of members. Loans approved totalled £13,134,000 on Sept. 30, 1941 and of that amount £12,298,000, or all but about 6.4 p.c. had been paid over to members. The manner in which funds advanced by building societies up to Sept. 30, 1941 has been used is indicated below:-

CO-OPERATIVE TERMINATING BUILDING SOCIETIES - NEW SOUTH WALES.

Position at 30th September, 1941.

PURPOSE OF LOAN.	LOANS APPROVED		ADVANCES MADE.	
	Number	Amount £000	Number	Amount £000
To build new houses	10,388	8,008	9,655	7,289
To buy existing houses ^ø	6,313	4,764	6,188	4,654
To refinance mortgages on houses	1,344	895	1,338	890
To add to or alter houses	331	73	325	71
For other purposes	20	21	20	21
Totals	18,396	13,761	17,526	12,925
Less Loans Discharged	724	627	724	627
Net Totals	17,672	13,134	16,802	12,298

^ø From 50 to 60 p.c. comprise newly erected houses.

It may be expected that the future development of this system of assisting persons to acquire houses for owner occupation will come under the review of the Housing Commission to be set up to administer the new housing legislation of the State.

PART III (Continued.)

MOTOR VEHICLES. Though more new motor vehicles were sold in N.S.W. in October than for several months the number, averaging 82 a week was only about one-eighth and less than one-fifth the numbers in October, 1937 and 1939, respectively.

AVERAGE NUMBER OF NEW MOTOR VEHICLES REGISTERED PER WEEK - N.S.W. ^ø

	CARS, CABS AND OMNIBUSES.						LORRIES AND VANS.					
	May	June	July	Aug.	Sept.	Oct.	May	June	July	Aug.	Sept.	Oct.
1937	523	497	451	414	415	421	187	218	202	210	200	221
1939	417	376	305	322	270	314	151	141	133	146	126	145
1940	176	115	63	88	118	128	103	70	60	53	63	64
1941	89	40	20	21	29	41	46	40	42	45	39	41

^ø Exclusive of trailers and of vehicles in Defence services.

"The use of substitute fuels is encouraged because it is the only guarantee of maintaining our transport system if war comes closer to our shores". With these words the Minister for Supply last week stressed the likelihood of continued severe rationing of petrol. The use of producer gas units in motor vehicles is extending slowly; at 31st October, 1941 there were 1,783 registered motor vehicles with producer gas units attached, compared with 1,478 at the end of September. It appears that supplies of charcoal are now in excess of the demand.

There was a slight decrease in the number of lorries and vans on the register during October but the decline in the number of cars registered continued. In the two years ended October, 1941 cars on the register decreased by 25,414 and lorries and vans by 2,336, but included in these numbers were vehicles rejected for renewal of registration after inspection (introduced in Oct., 1939) as to road-worthiness.

NUMBER OF REGISTERED MOTOR VEHICLES IN NEW SOUTH WALES. ^ø

		1933	1939			1940	1941				
		July	Aug.	Oct.	Oct.	Aug.	Sept.	Oct.			
								Cars	Lorries & Vans	All Vehicles	
		000	148.2	216.6	216.1	205.0	193.8	191.1	190.7	74.9	75.0
		000	42.2	77.6	77.4	75.1	74.9	74.9	74.9	297.7	297.4
		000	216.5	329.2	328.3	312.7	300.7	297.7	297.4		

^ø Exclusive of vehicles in Defence services; includes cycles and trailers.